

107TH CONGRESS
1ST SESSION

S. 1000

To amend the Child Care and Development Block Grant Act of 1990 to provide incentive grants to improve the quality of child care.

IN THE SENATE OF THE UNITED STATES

JUNE 7, 2001

Mr. REED (for himself, Mr. DODD, Mr. KENNEDY, Mrs. MURRAY, Mr. KERRY, and Mr. CORZINE) introduced the following bill; which was read twice and referred to the Committee on Health, Education, Labor, and Pensions

A BILL

To amend the Child Care and Development Block Grant Act of 1990 to provide incentive grants to improve the quality of child care.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Child Care Quality
5 Incentive Act of 2001”.

6 **SEC. 2. FINDINGS AND PURPOSES.**

7 (a) FINDINGS.—Congress makes the following find-
8 ings:

1 (1) Recent research on early brain development
2 reveals that much of a child's growth is determined
3 by early learning and nurturing care. Research also
4 shows that quality early care and education leads to
5 increased cognitive abilities, positive classroom learn-
6 ing behavior, increased likelihood of long-term school
7 success, and greater likelihood of long-term economic
8 and social self-sufficiency.

9 (2) Each day an estimated 13,000,000 children,
10 including 6,000,000 infants and toddlers, spend
11 some part of their day in child care. However, a
12 study in 4 States found that only 1 in 7 child care
13 centers provide care that promotes healthy develop-
14 ment, while 1 in 8 child care centers provide care
15 that threatens the safety and health of children.

16 (3) Full-day child care can cost \$4,000 to
17 \$10,000 per year.

18 (4) Although Federal assistance is available for
19 child care, funding is severely limited. Even with
20 Federal subsidies, many families cannot afford child
21 care. For families with young children and a month-
22 ly income under \$1,200, the cost of child care typi-
23 cally consumes 25 percent of their income.

24 (5) Payment (or reimbursement) rates, which
25 determine the maximum the State will reimburse a

1 child care provider for the care of a child who re-
2 ceives a subsidy, are too low to ensure that quality
3 care is accessible to all families.

4 (6) Low payment rates directly affect the kind
5 of care children get and whether families can find
6 quality child care in their communities. In many in-
7 stances, low payment rates force child care providers
8 to cut corners in ways that lower the quality of care
9 for children, including reducing number of staff,
10 eliminating staff training opportunities, and cutting
11 enriching educational activities and services.

12 (7) Children in low quality child care are more
13 likely to have delayed reading and language skills,
14 and display more aggression toward other children
15 and adults.

16 (8) Increased payment rates lead to higher
17 quality child care as child care providers are able to
18 attract and retain qualified staff, provide salary in-
19 creases and professional training, maintain a safe
20 and healthy environment, and purchase basic sup-
21 plies and developmentally appropriate educational
22 materials.

23 (b) PURPOSE.—The purpose of this Act is to improve
24 the quality of, and access to, child care by increasing child
25 care payment rates.

1 **SEC. 3. INCENTIVE GRANTS TO IMPROVE THE QUALITY OF**
 2 **CHILD CARE.**

3 (a) FUNDING.—Section 658B of the Child Care and
 4 Development Block Grant Act of 1990 (42 U.S.C. 9858)
 5 is amended—

6 (1) by striking “There” and inserting the fol-
 7 lowing:

8 “(a) AUTHORIZATION OF APPROPRIATIONS.—
 9 There”;

10 (2) in subsection (a), by inserting “(other than
 11 section 658H)” after “this subchapter”; and

12 (3) by adding at the end the following:

13 “(b) APPROPRIATION OF FUNDS FOR GRANTS TO IM-
 14 PROVE THE QUALITY OF CHILD CARE.—Out of any funds
 15 in the Treasury that are not otherwise appropriated, there
 16 are authorized to be appropriated and there are appro-
 17 priated, \$500,000,000 for fiscal year 2002, and such sums
 18 as may be necessary for each subsequent fiscal year, for
 19 the purpose of making grants under section 658H.”.

20 (b) USE OF BLOCK GRANT FUNDS.—Section
 21 658E(c)(3) of the Child Care and Development Block
 22 Grant Act of 1990 (42 U.S.C. 9858c(c)(3)) is amended—

23 (1) in subparagraph (B), by striking “under
 24 this subchapter” and inserting “from funds appro-
 25 priated under section 658B(a)”; and

1 (2) in subparagraph (D), by inserting “(other
2 than section 658H)” after “under this subchapter”.

3 (c) ESTABLISHMENT OF PROGRAM.—Section
4 658G(a) of the Child Care and Development Block Grant
5 Act of 1990 (42 U.S.C. 9858e(a)) is amended by inserting
6 “(other than section 658H)” after “this subchapter”.

7 (d) GRANTS TO IMPROVE THE QUALITY OF CHILD
8 CARE.—The Child Care and Development Block Grant
9 Act of 1990 (42 U.S.C. 9858 et seq.) is amended by in-
10 serting after section 658G the following:

11 **“SEC. 658H. GRANTS TO IMPROVE THE QUALITY OF CHILD**
12 **CARE.**

13 “(a) AUTHORITY.—

14 “(1) IN GENERAL.—The Secretary shall use the
15 amount appropriated under section 658B(b) for a
16 fiscal year to make grants to eligible States in ac-
17 cordance with this section.

18 “(2) ANNUAL PAYMENTS.—The Secretary shall
19 make an annual payment for such a grant to each
20 eligible State out of the allotment for that State de-
21 termined under subsection (c).

22 “(b) ELIGIBLE STATES.—

23 “(1) IN GENERAL.—In this section, the term
24 ‘eligible State’ means a State that—

1 “(A) has conducted a survey of the market
 2 rates for child care services in the State within
 3 the 2 years preceding the date of the submis-
 4 sion of an application under paragraph (2); and

5 “(B) submits an application in accordance
 6 with paragraph (2).

7 “(2) APPLICATION.—

8 “(A) IN GENERAL.—To be eligible to re-
 9 ceive a grant under this section, a State shall
 10 submit an application to the Secretary at such
 11 time, in such manner, and accompanied by such
 12 information, in addition to the information re-
 13 quired under subparagraph (B), as the Sec-
 14 retary may require.

15 “(B) INFORMATION REQUIRED.—Each ap-
 16 plication submitted for a grant under this sec-
 17 tion shall—

18 “(i) detail the methodology and re-
 19 sults of the State market rates survey con-
 20 ducted pursuant to paragraph (1)(A);

21 “(ii) describe the State’s plan to in-
 22 crease payment rates from the initial base-
 23 line determined under clause (i); and

1 “(iii) describe how the State will in-
2 crease payment rates in accordance with
3 the market survey results.

4 “(3) CONTINUING ELIGIBILITY REQUIRE-
5 MENT.—The Secretary may make an annual pay-
6 ment under this section to an eligible State only if—

7 “(A) the Secretary determines that the
8 State has made progress, through the activities
9 assisted under this subchapter, in maintaining
10 increased payment rates; and

11 “(B) at least once every 2 years, the State
12 conducts an update of the survey described in
13 paragraph (1)(A).

14 “(4) REQUIREMENT OF MATCHING FUNDS.—

15 “(A) IN GENERAL.—To be eligible to re-
16 ceive a grant under this section, the State shall
17 agree to make available State contributions
18 from State sources toward the costs of the ac-
19 tivities to be carried out by a State pursuant to
20 subsection (d) in an amount that is not less
21 than 25 percent of such costs.

22 “(B) DETERMINATION OF STATE CON-
23 TRIBUTIONS.—State contributions shall be in
24 cash. Amounts provided by the Federal Govern-

1 ment may not be included in determining the
2 amount of such State contributions.

3 “(c) ALLOTMENTS TO ELIGIBLE STATES.—The
4 amount appropriated under section 658B(b) for a fiscal
5 year shall be allotted among the eligible States in the same
6 manner as amounts are allotted under section 658O(b).

7 “(d) USE OF FUNDS.—

8 “(1) PRIORITY USE.—An eligible State that re-
9 ceives a grant under this section shall use the funds
10 received to significantly increase the payment rate
11 for the provision of child care assistance in accord-
12 ance with this subchapter up to the 100th percentile
13 of the market rate survey described in subsection
14 (b)(1)(A).

15 “(2) ADDITIONAL USES.—An eligible State that
16 demonstrates to the Secretary that the State has
17 achieved a payment rate of the 100th percentile of
18 the market rate survey described in subsection
19 (b)(1)(A) may use funds received under a grant
20 made under this section for any other activity that
21 the State demonstrates to the Secretary will enhance
22 the quality of child care services provided in the
23 State.

24 “(3) SUPPLEMENT NOT SUPPLANT.—Amounts
25 paid to a State under this section shall be used to

1 supplement and not supplant other Federal, State,
2 or local funds provided to the State under this sub-
3 chapter or any other provision of law.

4 “(e) EVALUATIONS AND REPORTS.—

5 “(1) STATE EVALUATIONS.—Each eligible State
6 shall submit to the Secretary, at such time and in
7 such form and manner as the Secretary may require,
8 information regarding the State’s efforts to increase
9 payment rates and the impact increased rates are
10 having on the quality of, and accessibility to, child
11 care in the State.

12 “(2) REPORTS TO CONGRESS.—The Secretary
13 shall submit biennial reports to Congress on the in-
14 formation described in paragraph (1). Such reports
15 shall include data from the applications submitted
16 under subsection (b)(2) as a baseline for deter-
17 mining the progress of each eligible State in main-
18 taining increased payment rates.

19 “(f) PAYMENT RATE.—In this section, the term ‘pay-
20 ment rate’ means the rate of reimbursement to providers
21 for subsidized child care.”.

22 (e) PAYMENTS.—Section 658J(a) of the Child Care
23 and Development Block Grant Act of 1990 (42 U.S.C.
24 9858h(a)) is amended by inserting “from funds appro-
25 priated under section 658B(a)” after “section 658O”.

1 (f) ALLOTMENT.—Section 658O of the Child Care
2 and Development Block Grant Act of 1990 (42 U.S.C.
3 9858m) is amended—

4 (1) in subsection (a)—

5 (A) in paragraph (1), by striking “this
6 subchapter” and inserting “section 658B(a)”;
7 and

8 (B) in paragraph (2), by striking “section
9 658B” and inserting “section 658B(a)”;

10 (2) in subsection (b)(1), in the matter pre-
11 ceding subparagraph (A), by inserting “each sub-
12 section of” before “section 658B”; and

13 (3) in subsection (e)—

14 (A) in paragraph (1), by striking “the al-
15 lotment under subsection (b)” and inserting
16 “an allotment made under subsection (b)”;

17 (B) in paragraph (3), by inserting “cor-
18 responding” before “allotment”.

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